Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of:	)	
	)	
Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers	)	CC Docket No. 01-338
	)	
Implementation of the Local Competition Provisions of the Telecommunications Act of 1996	)	CC Docket No. 96-98
	)	
Deployment of Wireline Services Offering Advanced Telecommunications Capability	)	CC Docket No. 98-147

AFFIDAVIT OF DAVID KUNDE

1. I, David Kunde, certify that the following is my true testimony. I am the Executive Vice President of Network Operations and Engineering for Eschelon Telecom, Inc ("Eschelon").

2. From 1994 until joining Eschelon in May 1999, I held the positions of Vice President of Network Engineering and Director of Network Engineering and Operations at Citizens Communications. From 1986 to 1994, I held a variety of positions with Frontier. I have a BA in Physics and Math from Wittenberg University in Springfield, Ohio and a MBA from the University of Rochester's William E. Simon Graduate School.

3. Eschelon was founded in 1996 and is a rapidly growing provider of integrated voice, data, and Internet services. The company offers a comprehensive line of integrated telecommunications products ranging from telephone systems to advanced voice and high-speed Internet services. Eschelon employs more than 900 telecommunications/Internet professionals

and provides telecommunications services to over 32,000 business customers with over 114,000 total access lines in 12 Tier I and II markets. Eschelon currently offers service in: Denver and Boulder, CO; Eugene, OR; Minneapolis and St. Paul, MN; Phoenix, AZ; Portland, OR; Reno, NV; Salem, OR; Salt Lake City, UT; Seattle, WA and Tacoma, WA.

4. Eschelon started out as a reseller but is moving to provide facilities-based local exchange service using its own switches and collocations. Eschelon does not own its own fiber; it leases facilities. Eschelon owns and operates switches in Arizona, Colorado, Minnesota, Oregon, Utah, and Washington.

5. In his affidavit, Paul Hanser discusses the economic barriers that prevent Eschelon from constructing its own loops and transport. If it were economically feasible however, Eschelon would prefer to own and control the facilities involved in serving our customers. We could design and build network facilities to our own standards. We could establish and maintain our own installation schedules and more rapidly repair outages. We would have the ability to set service level guarantees for customers because we would be responsible for isolating and repairing troubles.

6. I do not believe that ILECs give the same attention to repairing and maintaining CLEC facilities that CLECs would give. For example, during a recent six week period, Eschelon experienced three outages of Qwest provided DS3 high capacity circuits in Arizona. It took Qwest three hours to repair the first outage and six hours each to repair the second and third outages. Qwest typically repairs outages affecting its retail customers much more quickly.

Unbundled High Capacity Loops

7. Eschelon's target customers are small to medium businesses. The Regional Bell Operating Companies ("ILECs") have claimed that Competitive Local Exchange Carriers

("CLECs") do not typically target stores, offices, schools, churches, gymnasiums, libraries, museums, hospitals, clinics, and warehouses. At Eschelon, however, we serve or have served most of these types of establishments. In addition, Eschelon serves florists, pizza and other restaurants, coffee shops, bail bonds offices, hair salons, automobile services, funeral homes, and other small to medium businesses. Eschelon's loop customers subscribe to an average of approximately 4 to 5 lines, and Eschelon's T1 customers subscribe to an average of approximately 16 lines. Eschelon's customers are not located only in the downtown, urban areas. In the Minneapolis-St. Paul area of Minnesota, for example, Eschelon has customers in the northern suburb of Anoka, as far south as Burnsville, as far west as Wayzata. Looking at a map of Minnesota shows that this covers the breadth of the greater Minneapolis-St. Paul area. Eschelon is also expanding beyond the larger metropolitan areas. For example, in Oregon, we are expanding from serving business customers in Portland to serving them in the Eugene and Salem areas as well. Such small and medium business customers, in geographic areas of varying size, often desire high capacity loops. Limiting the availability of unbundled high capacity loops to certain services, for example, for voice rather than data, would be extremely problematic. Eschelon's small business customers have voice and data needs that are generally most efficiently provided over the same facilities. Restricting the services CLECs could over high capacity loops would make the ILEC the only practical choice of service provider for many of our customers.

8. Although Eschelon is only in the early stages of providing facilities-based service, already approximately 24% of its network switched local exchange lines are high capacity loops ("T1s"). Eschelon obtains virtually all of the facilities for those lines from an ILEC.

9. Other CLECs also continue to rely on the ILECs for providing high-capacity lines, rather than self-provisioning them or acquiring them from third party providers. For example, Qwest Corporation ("Qwest") reports data on the web in connection with the Regional Oversight Committee's ("ROC's") test of its Operations Support Systems ("OSS") for 271 purposes. Qwest 's Regional and state-specific May 2000 - April 2001 Service Performance Results Reports are now available at the following URL: http://www.qwest.com/wholesale/results/index.html. The results include information by category, such as DS1 capable loops. For example, the data for OP-3D (Installation Commitments met, percent, interval zone one) show that CLECs in Qwest's region ordered 137 DS1 capable loops in April, 174 in March, etc., from Qwest. If self-provisioning and acquiring high capacity network elements from third party providers were realistic alternatives to ordering them from the ILECs, CLECs would have little reason to order them from ILECs. CLECs, such as Eschelon, continue to require access to unbundled high capacity loops, however, because self-provisioned and third party provided high capacity loops are not available on a uniform, widespread, cost-effective, and timely basis.

Unbundled Dedicated Transport

10. Eschelon operates predominantly in markets in which Qwest is the incumbent carrier and Eschelon purchases unbundled dedicated interoffice transport from Qwest to provide transport from Eschelon switching facilities to Eschelon's collocation sites and transport between Eschelon's collocations. Self-provisioned and third party provided dedicated transport is also not available on a uniform, widespread, cost-effective, and timely basis. For dedicated transport, availability of multiple suppliers is particularly important when planning for network reliability. Eschelon would like to obtain dedicated transport from at least two different carriers, so that

Eschelon has a back-up if one fails. Although the ILECs have claimed that alternatives to them are available wherever there is demand, Eschelon has had to order two different paths from the same ILEC in situations in which dedicated transport was not available from any other carriers. Carrier diversity is just beginning to develop and is not available in all areas. Eliminating the requirement for ILECs to provide these facilities would threaten availability of carrier diversity even in those limited areas where it is currently available.

11. While Eschelon seeks two different transport providers in each market, it ideally would have the same two transport providers available in every market and for every collocation. While absence of diversity makes the network less robust, maintaining transport with multiple vendors is also problematic. Multiple vendors involve negotiating multiple contracts, establishing multiple ordering processes. There are more points of contact and different repair procedures to keep track of trouble shooting circuits provided by multiple carriers becomes exponentially more complex resulting in longer restore times in cases of outage. Each vendor renders its own bill and each bill must be validated. Billing disputes are not uncommon and having multiple vendors makes this process more difficult as well. Eschelon attempts to attain volume discounts by concentrating purchases and this too makes multiple providers less desirable. It is not technically or economically feasible for Eschelon to have different transport providers in every market. If there were a provider who offered facilities in our Portland market, for example, but not in any other market, Eschelon would not use that provider for economic and engineering reasons.

12. If Eschelon could not purchase unbundled dedicated transport from Qwest on an unbundled basis, Eschelon would have to purchase it from Qwest's federal private line tariff. Qwest's federally tariffed prices for these facilities is multiples higher than Qwest's cost based

UNE price. This would represent a very substantial cost increase for Eschelon and could force Eschelon to provide less diversity and hence offer less reliable service to our customers which in turn would cause Eschelon to lose customers.

13. Eschelon also purchases DS1 capable loops from Qwest to connect Eschelon's collocations to Eschelon customer premises. Eschelon purchases these loops on an unbundled basis. If Qwest's obligation to unbundle these loops were eliminated, Eschelon would have to purchase them off Qwest's federal private line tariff. Qwest's federally tariffed prices for these facilities are multiples higher than Qwest's cost based UNE price. There are rarely alternative providers of these facilities in the buildings where Eschelon customers are located. Elimination of Qwest's unbundling obligation would force Eschelon to reduce its DS1 offerings to customers.

14. Eschelon asks the Commission to continue to require ILECs to unbundle high-capacity loops and dedicated transport. Further, the Commission should not restrict the services Eschelon can provide with these facilities. Most of our customers have voice and data traffic and engineering for separate streams of voice and data is uneconomic, complex, and time-consuming. Unbundling of these network elements is even more important now than before. It is well known that the capital markets have tightened dramatically in recent months. Third-party high capacity loops are generally not available where we have demand for them. I estimate that less than 5% of the Eschelon customer base can be served via alternate transport providers. The market situation makes third party providers of these elements less available and, in some cases, less predictable because some of these companies are struggling to stay in business. The costs and delay of self-provisioning, which were prohibitive before, are also even more of an obstacle

in light of the capital market situation. Eschelon's business will be impaired without unbundled access to high-capacity loops and dedicated transport.

EELS

15. Although Eschelon does use EELs to provide DS1 level service to customers, Eschelon does not regard EELs as appropriate for customers taking service at the DS0 level. The multiplexing involved for DSO service introduces an additional point of failure into the network. Since Eschelon does not have access to the offices linked by the EEL, Eschelon would be entirely dependent upon the ILEC for testing for trouble isolation and repair which are now all chargeable services by the ILEC. Instead of EELs, Eschelon uses a platform product from Qwest to serve customers that are located off Eschelon's network in order to avoid the testing and repair problems associated with EELs.

16. In addition to the technical difficulties of efficiently testing and repairing EELs, Qwest has artificially restricted our use of EELs by requiring Eschelon to certify its EEL lines carry principally voice traffic. Qwest insists the Commission intended to prohibit data traffic even if the traffic would not otherwise require payment of usage based access charges. This restrictive interpretation by Qwest has made EELs less useful to Eschelon and its small business customers.

AIN Features

17. Many features, including Remote Access Forwarding, Scheduled Forwarding, Dial Lock, and Do Not Disturb, are typically provided by switching software as regular line side features. While an AIN feature such as Ameritech's "Privacy Manager" is proprietary because Ameritech actually developed the software and database, features that first became available via switching software are not proprietary. Many of these features may also be provided via an AIN

platform. Qwest takes the position that all features it provides via its AIN platform are proprietary and Qwest has no obligation to make the feature available on an unbundled basis. By moving the means of providing such features from the switch to an AIN platform, Qwest denies their use by competitors. Qwest does not offer its AIN features with UNE-P for example. The Commission should clarify that not all AIN features are proprietary. In my experience, significant numbers of small business customers use, or would like to use, Remote Access Forwarding, Scheduled Forwarding, Dial Lock and Do Not Disturb. CLECs are unreasonably being denied these features as a result of Qwest's AIN strategy.

FURTHER AFFIANT SAYETH NOT. Dated this 5th day of April 2002.

/s/ David Kunde
David Kunde

Subscribed and sworn to before me
this 5th day of April 2002.

/s/ Douglas L. Strand
Notary Public
My Commission Expires: January 31, 2005